

STATE OF RHODE ISLAND DEPARTMENT  
OF BUSINESS REGULATION DIVISION OF  
BANKING

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BANKING REGULATION 98-14.4

CHECK CASHING

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98-14.4-1. AUTHORITY.

This regulation is promulgated pursuant to the authority granted in Section 3 of Chapter 14.4 of Title 19 of the General Laws of Rhode Island.

98-14.4-2. PURPOSE.

The purpose of this regulation is to set forth procedures to carry out the provisions of Chapter 19-14.4 of the General Laws of Rhode Island entitled "Check Cashing". The actions and information required by this regulation are hereby declared to be necessary and appropriate in the public interest.

98-14.4-3. SEVERABILITY.

If any provision of this regulation or the application thereof to any person or circumstances is held invalid or unconstitutional, the invalidity or unconstitutionality shall not affect other provisions or applications of this regulation which can be given effect without the

regulation are severable.

#### 98-14.4-4. DEFINITIONS.

Unless otherwise provided by this regulation or unless the context clearly requires otherwise, terms used in this regulation shall have the same meaning as the terms as defined in Title 19.

"Cash sheet" means a daily record of transactions of cash and cash items at the licensed location which shall include, but not be limited to, opening and closing balances.

"Liquid assets" means cash on hand, cash in bank, checks on hand not previously dishonored and marketable securities owned by the licensee, less any loans payable on demand or loans payable within one (1) year or less and any accounts payable by the licensee.

#### 98-14.4-5. PROVISIONS.

##### (a) SECURITY MEASURES

Every licensee shall provide for the safety and security of its customers and its employees by complying with the following security measures:

(1) Install an alarm system that when activated automatically signals either the local police department or a licensed security company, if licensing is required by law, ordinance, rule or regulation. The alarm system must include panic buttons at strategically placed inconspicuous locations within the licensed location.

(2) Install a camera surveillance system to monitor the activities of employees and customers at the licensed location.

(3) Install bullet proof glass and partitions that meet or exceed Underwriters Laboratories Level II ballistics standards at all check cashing stations, transaction windows, counters and similar areas where the exchange of funds, checks, money orders and other transactions take place. Applicants and licensees are required to provide sufficient documentation such as contractor certification or building inspector certification that such structures and areas meet these requirements. Underwriters Laboratories Level II ballistics standards partitions must extend from floor to ceiling and be constructed in a manner to not allow an individual to breach such partition to gain access to the check cashing area provided, however, that a reasonably lower partition is allowable if the entire transaction area, including the top portion, is enclosed by such materials.

(4) Adopt and implement a security program that provides for a schedule of inspecting, testing and servicing of the security devices installed at the licensed location. Each licensee shall maintain records of each inspection, testing and servicing of the security devices.

(b) LIQUID ASSETS

Every licensee shall maintain liquid assets of at least ten thousand dollars (\$10,000) at all times at the licensed location.

(c) CASH SHEETS

Every licensee shall prepare daily cash sheets for each day's business reflecting all transactions for that day. The cash sheets must be balanced and settled prior to the opening of the next day's business. Cash sheets must record the beginning and ending numbers of money

orders issued each day. A closing cash count must be performed which includes all cash and cash items.

(d) LOG SHEET AND INVENTORY ITEMS

Every licensee shall maintain a written log indicating each transaction, including the amount, for the following:

- (1) money orders, travelers checks or checks sold or issued;
- (2) food stamps issued; and
- (3) utility payments accepted.

(e) DISHONORED CHECKS

Every licensee shall maintain a register of all checks, money orders, or drafts that have been altered, forged, stolen, obtained through fraudulent or illegal means, negotiated without proper legal authority or represent the proceeds of illegal activity, after having been advised of such by the payor financial institution. The register shall contain, to the extent available, the following, if applicable:

- (1) date the licensee was advised by the payor institution;
- (2) the amount of the item;
- (3) the payee;
- (4) the name of the payor institution;
- (5) the item number and date; and
- (6) the reason for dishonor.

The licensee shall notify the police department in the city or town in which the office of the licensee where the check was cashed is located of the dishonored check, pursuant to statute.

(f) CURRENCY AND FOREIGN TRANSACTIONS REPORTING

Every licensee must maintain and comply with Title 31, Code of Federal Regulations, Part 103, as amended, entitled "Financial Recordkeeping and Reporting of Currency and Foreign Transactions." Any records maintained or reports filed pursuant to these federal regulations shall be maintained at the licensed location for at least five (5) years.

(g) INTERPRETATION OF COMMUNITY

The Director, in reviewing an application for a license to cash checks shall consider the proposed licensee's community, as required by R.I.Gen. Laws § 19-14.4-2, to include the community as proposed by the applicant in its application or business plan, which community in no event shall be less than a one (1) mile geographic radius of the proposed location.

98-14.4-6. EFFECTIVE DATE.

Effective date: August 9, 1998.

Refiled date: December 19, 2001.

REPEALED